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**UNITED STATES BANKRUPTCY COURT**  
**DISTRICT OF NEW JERSEY**

TO: JAMES J. WALDRON, CLERK

CASE NO. 07-12947 (RG)

IN RE: HEADLINERS ENTERTAINMENT GROUP, INC.

CHAPTER 7

ADV. PRO. NO. 09-1308

ADV. PRO. YOUNGMAN V. GRABOWSKY, ET ALS.

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**INFORMATION FOR NOTICE OF SETTLEMENT OF CONTROVERSY**

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**CATHERINE E. YOUNGMAN**, Trustee, proposes to settle a claim and/or action, the nature of which is described below.

If any creditor or other party in interest has an objection to the settlement, an objection and request for a hearing on such objection shall be in writing, served upon the person named below and filed with the Clerk of the United States Bankruptcy Court.

Such objection and request shall be filed with the Clerk and served upon the person named below no later than *(date to be fixed by the Court)*.

In the event an objection is timely filed a hearing thereon will be held on *(date and location of hearing will be supplied by the Court)*.

If no objection is filed with the Clerk and served upon the person named below on or before twenty days from the date of this notice, the settlement will be consummated as proposed on or after twenty-five days from the date of this notice.

The nature of the action and the terms of the settlement are as follows:

NATURE OF ACTION	PERTINENT TERMS OF THE SETTLEMENT
<p>On February 24, 2009, the Trustee commenced adversary proceeding number 09-1308 against Richard Grabowsky, N.K. Gray Development, LLC and Dick Grabowsky, LLC (collectively, the "Defendants") seeking damages relating to the Defendants' management of or transactions with Rascals Montclair, Inc. The Defendants raised various factual and legal defenses to the Trustee's causes of action.</p>	<p>The Defendants will pay \$20,000.00 upon their execution of the parties' Stipulation of Settlement, which the Trustee has received, and will pay the remaining \$35,000.00 on or before the later of November 10, 2009 or thirty (30) days after approval of the proposed settlement; (b) the Defendants will execute a consent judgment for \$55,000.00 to secure their performance under the settlement, which the Trustee has received; and (c) the Defendants will withdraw all proofs of claim filed against the Debtor's bankruptcy estate, waive and release all claims that they might hold against the Debtor's estate or the Trustee, and waive their rights, if any, to receive a distribution or dividend from this bankruptcy estate. In consideration, the Trustee waives and releases all claims against the Defendants asserted, or that otherwise could have been asserted, in this adversary proceeding.</p>

Request for additional information about the nature of the action or the terms of the settlement should be directed to:

NAME: Harry M. Gutfleish, Esq.  
 ADDRESS: Forman Holt Eliades & Ravin LLC  
 80 Route 4 East, Suite 290  
 Paramus, NJ 07652  
 TELEPHONE NO.: (201) 845-1000

DATED: September 25, 2009

SUBMITTED BY: /s/ Harry M. Gutfleish, Esq. POSITION: Attorney for Trustee PHONE: (201) 845-1000  
 Harry M. Gutfleish, Esq.

FOR CLERK'S OFFICE USE ONLY

TYPE OF TASK 11

FORM # BL STATEMENT SET